

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 LAB-04 EPG-02 SIL-01 OMB-01 NSC-05 SS-15

STR-04 CEA-01 L-03 H-01 DHA-02 PRS-01 PA-01 /089 W

-----030248Z 096897 /72

R 021755Z MAY 77

FM AMEMBASSY ROME

TO SECSTATE WASHDC 4326

INFO ANCONSUL NAPLES 3665

AMCONSUL MILAN

AMCONSUL ZURICH

LIMITED OFFICIAL USE ROME 7106

EO 11652: N/A

TAGS: EFIN, EINV, IT

SUBJ: DOW-LEPETIT OFFICIAL RELEASED

REF: (A) MILAN 0608; (B) ROME 5875; (C) MILAN 0647

1. MANAGING DIRECTOR TITO MONTESSORI OF GRUPPO LEPETIT, LEADING ITALIAN PHARMACEUTICAL COMPANY OWNED 80 PER CENT BY DOW-CHEMICAL COMPANY USA, WHO WAS ARRESTED AND IMPRISONED APRIL 1 ON CHARGES THAT LEPETIT HAD COMMITTED FOREIGN EXCHANGE VIOLATIONS BY UNDERVOICING EXPORTS (SEE REFTELS), WAS RELEASED ON APRIL 30. CHIEF PROSECUTOR OF BRINDISI, WHERE MONTESSORI WAS BEING HELD, CITED REASONS OF HEALTH FOR RELEASE, WHICH WAS CONFIRMED BY THE PRISON DOCTOR WHO NOTED THAT MANAGING DIRECTOR HAD SUFFERED HEART ATTACK A SHORT TIME BEFORE HIS ARREST, AND THAT HIS CONDITION WAS DETERIORATING IN PRISON HOSPITAL. NEVERTHELESS, DOW WAS OBLIGED TO POST A BOND OF 1 BILLION LIRE FOR MONTESSORI'S RELEASE, AND FINANCE POLICE ARE CONTINUING INVESTIGATION.

2. AS REPORTED REFTEL B, DOW OFFICIALS APPROACHED AMBASSADOR

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FOR ASSISTANCE IN SEEKING RELEASE OF MONTESSORI IN EARLY STAGES OF CASE, AND MADE LATER REQUESTS AT SENIOR LEVELS. WHILE EMBASSY WAS LIMITED IN WHAT IS COULD DO BY FACT THAT CASE INVOLVED AN ITALIAN NATIONAL WORKING FOR COMPANY INCORPORATED IN ITALY, WE WERE ABLE TO ASSIST IN ARRANGING MEETINGS FOR DOW WITH HIGH LEVEL OFFICIALS OF GOI, AS WELL AS GETTING ACROSS THEIR REQUEST FOR A FAIR HEARING BASED ON TREATMENT OF AMERICAN INVESTMENT IN

ITALY. DOW EUROPE OFFICIALS HAVE EXPRESSED APPRECIATION FOR DISCREET HELP GIVEN TO PERSUADE PROSECUTOR'S OFFICE TO HEAR DOW'S SIDE OF THE STORY.

3. COMMENT: THE FIRST OBJECTIVE, NAMELY, TO OBTAIN RELEASE OF IMPRISONED DOW-LEPETIT OFFICIAL, HAS BEEN ACCOMPLISHED. WHILE DOW-LEPETIT OFFICIALS MAINTAIN THAT THEY WILL COME OUT WITH A "CLEAN BILL OF HEALTH" WHEN INVESTIGATION IS COMPLETED, PHARMACEUTICAL PRICING ISSUE AS WELL AS POLITICAL RAMIFICATIONS OF CASE MAKE IT UNLIKELY THAT MATTER HAS BEEN LAID TO REST.GARDNER

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Message Attributes

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Sent Date: 02-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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